

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 52 - SB 87**

February 10, 2011

**SUMMARY OF BILL:** Authorizes an establishment to sell beer for on-premises consumption if it is currently permitted to sell liquor or wine for on-premises consumption.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Not Significant**  
**Increase State Expenditures – Not Significant**

**Increase Local Revenue – \$2,300/One-Time/Permissive**  
**\$900/Recurring/Permissive**  
**Increase Local Expenditures – Not Significant**

**Assumptions:**

- One establishment in each of the nine River Resort Districts will apply for and be issued a local beer permit authorizing it to sell beer for on-premises consumption.
- The Alcoholic Beverage Commission has no administrative role in the issuance of local beer permits.
- The average initial license application fee in the River Resort District is \$253 resulting in a one-time increase of revenue to local governments of \$2,277 (\$253 x 9). The average annual renewal fee is \$100 resulting in a recurring increase of revenue to local governments of \$900 (\$100 x 9).
- Any increase to local government expenditures for administrative costs of collecting local privilege taxes associated with such licenses is estimated to be not significant.
- Establishments that will be authorized to sell beer for on-premises consumption will already be licensed to sell liquor-by-the-drink for on-premises consumption and will already be paying the local privilege tax for River Resort Counties.

- Entities will be assessed state and local sales taxes on alcoholic beverage sales, a 15 percent liquor-by-the-drink tax on each alcoholic beverage sold, and any applicable county or city privilege tax. These taxes will not have a significant state or local fiscal impact.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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